

## **Program A: Office of Financial Institutions Program**

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2002-2003. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document.

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2002-2003.

DEPARTMENT ID: 01 Executive Department

AGENCY ID: 01-255 Office of Financial Institutions

PROGRAM ID: Program A: Office of Financial Institutions

1. (KEY) Through the Depository Institutions activity, to proactively supervise 100% of state chartered depository institutions by conducting 100% of scheduled examinations, reporting the examination results within 1 month of receipt of the draft report, and acting on complaints within 10 days of receipt.

Strategic Link: This operational objective is related to strategic objective I.1: *Through 2007, the Depository Division will proactively supervise 100% of state chartered depository institutions by conducting 100% of scheduled examinations, reporting the examination results within one month of receipt of the draft report, and acting on complaints within 10 days of receipt.*

Louisiana: Vision 2020 Link: This operational objective related to Louisiana Vision 2020 objective 1.8: *To improve efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The Depository Institutions activity currently provides supervision to 143 banks/thrifts and 62 credit unions.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of examinations conducted as scheduled -banks/thrifts	95%	90%	95%	95%	100%	100%
K	Percentage of examinations conducted as scheduled - credit unions	100%	97%	100%	100%	100%	100%
K	Percentage of examination reports processed within 1 month - banks/thrifts	90%	78% <sup>1</sup>	90%	90%	90%	90%
K	Percentage of examination reports processed within 1 month - credit unions	90%	72% <sup>1</sup>	90%	90%	90%	90%
K	Percentage of complaints acted upon within 10 days - banks/thrifts	96.6%	100%	97.6%	97.6%	100%	100%
K	Percentage of complaints acted upon within 10 days - credit unions	100%	100%	100%	100%	100%	100%

<sup>1</sup> According to LaPAS, the actual yearend performance was lower than the anticipated yearend target due to a shortage of wordprocessors, backlog of exam reports and special assignments performed by Review Examiners.

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2. (KEY) Through the Nondepository activity, to proactively supervise 100% of nondepository financial services providers by conducting 100% of scheduled examinations, investigating 100% of reports of unlicensed operations within 10 days, and acting upon written complaints within 30 days.

Strategic Link: This operational objective links to strategic objective 1.2: *Through 2007, the Nondepository Division will proactively supervise 100% of nondepository financial services providers by conducting 100% of scheduled examinations, investigating 100% of reports of unlicensed operations within 10 days, and acting upon written complaints within 30 days.*

Louisiana: Vision 2020 Link: This operational objective relates to Louisiana Vision 2020 objective 1.8: *To improve efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of scheduled examinations conducted	100%	100%	100%	100%	100%	100%
S	Total number of examinations scheduled	1,324	1,129	1,402	1,402	1,382	1,382
S	Total number of active registrants	8,152	7,117	7,857	7,857	8,885	8,885
S	Number of providers licensed or registered under the Residential Mortgage Lending Act	Not applicable <sup>1</sup>	1,906 <sup>1</sup>	Not applicable <sup>1</sup>	2,400 <sup>1</sup>	2,287	2,287
K	Percentage of investigations conducted within 10 days of companies reported to be operating unlicensed	100%	99.35%	100%	100%	100%	100%
K	Percentage of companies closed or license not required	69.3%	69.2%	57.8%	57.8%	51.7%	51.7%
S	Percentage of investigated companies licensed	30.7%	30.77%	42.2%	42.2%	48.3%	48.3%
S	Total number of companies reported to be operating unlicensed	110	380	174	174	399	399
K	Total number of violations cited	2,698	9,404	866 <sup>2</sup>	866 <sup>2</sup>	7,323	7,323
K	Total monies refunded or rebated to consumers from cited violations	\$101,000	\$129,930	\$151,000	\$151,000	\$115,500	\$115,500
K	Percentage of written complaints acted upon within 30 days	100%	94.77%	100%	100%	100%	100%

K	Total number of written complaints received	162	222	237	237	317	317
S	Number of complaints for residential mortgage lenders	Not applicable <sup>1</sup>	84 <sup>1</sup>	Not applicable <sup>1</sup>	130 <sup>1</sup>	105	105
K	Total amounts of refunds or rebates to consumers resulting from complaints	\$23,200	\$37,376	\$29,000	\$29,000	\$23,700	\$23,700

<sup>1</sup> This is a new performance indicator for FY 2002-2003. It did not appear under Act 11 of 2000 or Act 12 of 2001 and does not have a FY 2000-2001 or FY 2001-2002 performance standard. The existing performance standard is an estimate of yearend performance, not a standard.

<sup>2</sup> Upon enactment of Act 12 of 2001 Regular Legislative Session, OFI had anticipated a change in the calculation methodology for violations cited for licensed lenders. For FY 2001-2002, the calculation methodology was supposed to report each type of violation only once per entity. However, the calculation methodology was not changed. According to LaPAS, the FY 2001-2002 fourth quarter target is estimated at 7,716.

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3. (KEY) Through the Securities activity, to continue to conduct compliance examinations and investigations, where warranted, of 100% of registered Broker Dealers and Investment Advisors located in the State of Louisiana as scheduled in cooperation with federal regulators.

Strategic Link: This operational objective is related to strategic objective I.3: *Through 2007, the Securities Division will conduct compliance examinations and investigations, where warranted, of 100% of registered Broker Dealers and Investment Advisors located in the State of Louisiana as scheduled in cooperation with federal regulators and will process 100% of all applications for licenses and requests for authorization of offerings within 30 days of receipt.*

Louisiana: Vision 2020 Link: This operational objective relates to Louisiana Vision 2020 objective 1.8: *To improve efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of compliance examinations conducted of Louisiana broker dealers and investment advisors	100%	100%	100%	100%	100%	100%
S	Number of broker dealers and investment advisors located in Louisiana	210	284	240	240	280	280
S	Number of new complaints alleging violations reported	48	56	40	40	50	50
S	Number of investigations <sup>1</sup>	24	24	20	20	30	30
S	Number of enforcement actions initiated	4	0	4	4	4	4

<sup>1</sup> Includes all active investigations, including those initiated in prior years that are still active.

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## 4. (KEY) Through the Securities activity, to process 100% of all applications for licenses and requests for authorization of offerings within 30 days of receipt.

Strategic Link: This operational objective is related to strategic objective I.3: *Through 2007, the Securities Division will conduct compliance examinations and investigations, where warranted, of 100% of registered Broker Dealers and Investment Advisors located in the State of Louisiana as scheduled in cooperation with federal regulators and will process 100% of all applications for licenses and requests for authorization of offerings within 30 days of receipt.*

Louisiana: Vision 2020 Link: This operational objective relates to Louisiana Vision 2020 objective 1.8: *To improve efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Number of applications for licenses received for investment advisors, broker dealers, and agents	80,000	103,569 <sup>1</sup>	90,000	90,000	100,000	100,000

<sup>1</sup> The increase in the number of applications may be due to brokerage firms' increased recruiting efforts while the market was high. Due to market changes, this increase may not be sustained in future years.

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GENERAL PERFORMANCE INFORMATION: TOTAL REVENUES COLLECTED					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Total revenues collected	\$14,367,347	\$15,176,387	\$15,628,778	\$16,982,545	\$17,551,579
Percentage of revenues expended	45.2%	42.6%	40%	38.8%	38.3%
Total cost of operations	\$6,499,229	\$6,407,957	\$6,258,070	\$6,581,431	\$6,723,460

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GENERAL PERFORMANCE INFORMATION: DEPOSITORY ACTIVITY					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Number of examinations conducted - banks/thrifts	69	72	59	72	72
Number of examinations conducted - credit unions	67	65	65	64	60
Number of complaints received - banks/thrifts	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	47	86
Number of complaints received - credit unions	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	3	4
Total assets regulated (in billions)	\$20.6	\$18.0	\$17.4	\$17.6	\$19.4

<sup>1</sup> This indicator was not tracked prior to FY 1999-2000.



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GENERAL PERFORMANCE INFORMATION: NONDEPOSITORY ACTIVITY					
	PERFORMANCE INDICATOR VALUES				
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Number of phone calls received from consumers and lenders on toll-free line	Not applicable <sup>1</sup>	28	1,694	2,326	2,328

<sup>1</sup> The toll-free line provides free access to information regarding the regulation of Louisiana nondepository entities to Louisiana residents and nondepository financial services providers . This toll-free line was established in May, 1998.